

MEMORANDUM

TO: All Insurers Licensed to Conduct Business within the State of South Carolina

FROM: The South Carolina Department of Insurance, Office of Taxation

Subject: Annual Online Premium Tax Application

DATE: January 19, 2017

The purpose of this memorandum is to inform insurers of the opening date of the Annual Online Premium Tax Application.

OPENING DATE:

The Annual Online Tax Application will open the **first week of February 2017**. Please be aware that annual tax returns and all required supporting documentation are due to the South Carolina Department of Insurance (Department) on or before **March 1, 2017**.

All insurers must have their user ID and passwords available to log into the tax application. Questions regarding user ID's should be e-mailed to IRMMail@doi.sc.gov. Authorized users must ensure that they enable JavaScript for their browsers before logging into the tax application.

INSURER COMPLIANCE:

All insurers including Risk Retention Groups, Health Maintenance Organization and Captive Insurance Companies must file their Premium Tax Returns using the electronic tax filing application and pay fees with the Department by **March 1, 2017**. Tax returns must be filed by the due date even if no business was written in the state or globally during **2016**. **Failure to comply constitutes a violation of the South Carolina insurance laws and could result in the imposition of an administrative fine of up to \$30,000.00. Please refer to S.C. Code Ann. Section 38-2-10 and 38-5-130.**

BIENNIAL LICENSE FEE:

The Department **will not collect** Biennial License Fees from insurers on **March 1, 2017**.

BIENNIAL FIXED LICENSE FEE:

The Department **will not collect** Biennial Fixed License Fees from insurers on **March 1, 2017**.

SCHEDULE 08 – DISTRIBUTION OF FIRE PREMIUMS:

Property and Casualty insurers that distribute fire premiums to corresponding counties will have the option of uploading an **Excel spreadsheet in the Department's format** which will be automatically populated into Schedule 08.

SUPPORTING DOCUMENTATION:

Insurers are required to upload all required documentation. Tax filings will not be considered completed unless all required documentation is received by **March 1, 2017**.

The system will generate a **Document Checklist** which will contain the required documents that must be provided to the Department. Authorized users must submit all **Required Documents** via the "Document Upload" feature of the tax application.

REFERENCE LIST:

A Reference List has been compiled to assist insurers in reporting 2016 premium writings for lines of businesses that are not addressed on Schedule 04. Insurers will no longer list write-ins under **Details of line 98.00 – All Other Lines**. If the line of business is not shown on the **Reference List**, please contact Taxation@doi.sc.gov. (Please refer to **APPENDIX C**)

PAYMENT OPTIONS:

Insurers will be able to pay their tax liability by credit card, electronic (ACH) or paper check. Any insurer electing to pay by paper check must print the annual tax invoice and submit it along with the check. The check amount **must** agree with the payment amount indicated on the invoice. If these amounts do not agree, the payment will be returned. **Please submit one check per company.**

Please be reminded there is a cap on credit card payments. Any payments exceeding \$99,999.00 cannot be processed by the credit card vendor. If paying by credit card, a 1.7% processing fee plus a \$1.00 portal fee will be added to your tax payment.

Insurers paying by electronic (ACH) check that have blocks on their bank accounts should use the following information to allow the Department to successfully debit their account:

- Trading Partner Originating Company Name: **SC DEPT OF INS**
- Trading Partner Originating Company ID: **5708824541**

CONTACTS:

Questions pertaining to this memorandum should be directed to:

- Sharon Waddell at 803.737.4910 or swaddell@doi.sc.gov
- Angela Davis at 803.737.6279 or adavis@doi.sc.gov
- Desmond Haygood at 803.737.6174 or dhaygood@doi.sc.gov

ANNUAL COMPANY TAX INSTRUCTIONS:

1. Go to the South Carolina Department of Insurance Home Page at (www.doi.sc.gov or <http://doi.sc.gov>).
2. On the right side of the home page, click on “**\$ Online Services.**”
3. Under the **Registered Company Users** heading scroll down to “**File/Amend Annual Tax Return**” and click. Once the next page appears, enter your company’s user ID and password.
4. If a third party is processing your company taxes scroll down to “**Company User Account Maintenance**” under the **Registered Company Users** heading and click. Once the next page appears enter your company’s user ID and password and select “**Add**”. Enter the required information for the user and select “**SAVE**”.
5. Once you have successfully logged in, a **WELCOME** page appears. Click “**File Annual Tax Return**”.
6. The “**Terms of Use**” page will display next. After reading the Terms of Use screen click “**I Agree**”.
7. Once on the screen, the user will be able to enter all applicable tax data.
8. Follow the instructions on the screen(s) to process your fee and tax return.
9. **Schedule 01** will be the last schedule shown. Please thoroughly review your company’s tax information.
10. You may elect to return to a previous screen by clicking “Previous.” If you click the next button, the ‘Document Upload’ will appear. Follow the instructions and proceed to upload all required documentation listed in the **Document Checklist**. The next screen will be the **Attestation Page**.
11. Enter required information for the **Attestation** and click next.
12. If a tax payment is due an **Invoice page** will appear. You may pay by electronic (ACH) check, paper check or credit card. **If you elect to pay by paper check** please print the invoice and remit the invoice with a check made payable to the South Carolina Department of Insurance. Please remit **one check per company** and be reminded that the check amount **must** agree with the invoice amount. If these amounts do not agree, your payment will be rejected. If you elect to pay by electronic (ACH) check or credit card, click ‘**Proceed to Payment**’.
13. If you click “**Proceed to Payment**”, the electronic (ACH) payment or credit card screen payment screen will appear. Enter all the required information and click **Submit**. It may take a few minutes before the **Confirmation Page** appears.
14. Please print and keep the Confirmation Page as your receipt of payment. **Please be sure to print a copy of the Tax Return for your records.**
15. If a refund is due or there is no tax liability, the application will generate a Confirmation Page indicating such. Please print and keep this page for your records.
16. If your confirmation page lists the name of any documents, i.e. Schedule T; State Page; etc., this means that these supporting documents **have not been uploaded**. Please upload them on or before **March 1, 2017**.

APPENDIX B:

DOCUMENT CHECKLIST (REQUIRED DOCUMENTATION)

LIFE, ACCIDENT AND HEALTH INSURERS:

- Life and A&H Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 24 from the Annual Statement.
- Health Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 29 from the Annual Statement.
- Foreign insurers **must** upload a separate worksheet showing rates, premium figures and calculations if retaliatory taxes and obligations are reported on Schedule 02.
- All companies **must** upload documentation for all allowable credits reported on Schedule 06.
- Insurers who report South Carolina Life & Health Guaranty Association Tax Credit must upload a copy of each Assessment Certificate to receive credit.
- Insurers who report South Carolina Health Insurance Pool Tax Credit must upload a copy of each Assessment Certificate to receive credit.

PROPERTY AND CASUALTY INSURERS:

- Property and Casualty Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 19 from the Annual Statement
- Title Insurers **must** upload a copy of Schedule T from the Annual Statement.
- Reciprocal Insurers **must** upload a copy of Schedule T and a copy of the South Carolina Business page 19 from the Annual Statement.
- Foreign insurers **must** upload a separate worksheet showing rates, premium figures and calculations if retaliatory taxes and obligations are reported on Schedule 02.
- A copy of the Assessment Certificate is required for Second Injury Fund.
- All companies **must** upload documentation for all allowable credits reported on Schedule 06.
- Insurers who report South Carolina Life & Health Guaranty Association Tax Credit must upload a copy of each Assessment Certificate to receive credit.
- Insurers who report South Carolina Health Insurance Pool Tax Credit must upload a copy of each Assessment Certificate to receive credit.

FRATERNAL BENEFIT SOCIETIES:

- Fraternal **must** upload a copy of Schedule T and a copy of the South Carolina Business page 23 from the Annual Statement
- Foreign insurers **must** upload a separate worksheet showing rates, premium figures and calculations if retaliatory taxes and obligations are reported on Schedule 02.

COUNTY MUTUAL INSURERS:

- Companies **must** upload page 2 of their Annual Statement.

CAPTIVE INSURERS:

- Captive Insurers must upload copies of page 4 - Statement of Income and page 7 - Premium Schedule from their annual report. If licensed as a **Captive Risk Retention Group** or as **Special Purpose Financial Captive**, a copy of Schedule T from the Annual Statement must be uploaded.

HEALTH MAINTENANCE ORGANIZATIONS:

- No documentation required.

APPENDIX C

REFERENCE LIST:

SCHEDULE 04: WRITE-INS. IF THE LINES OF BUSINESS ON SCHEDULE 04 HAVE NOT ADDRESSED PREMIUMS WRITTEN AND DIVIDENDS PAID AS REPORTED BY YOUR COMPANY, PLEASE REFER TO THE LISTING BELOW:

Coverage	Line of Business
Credit Involuntarily Unemployment	98.00 All Other Lines
Glass	98.00 All Other Lines
Guaranteed Auto Protection (GAP)	98.00 All Other Lines
Guaranty Excess Share Deposits/Credit Unions	98.00 All Other Lines
Identity Theft	98.00 All Other Lines
Kidnap and Ransom	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Legal	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Loss of Income	02.10 Allied lines
Miscellaneous Casual	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made 98.00 All Other Lines
Mechanical Breakdown	98.00 All Other Lines
Nuclear Energy	98.00 All Other Lines
Pet Protection	02.10 Allied Lines
Political Risk	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Residual Value	17.10 Other Liability---Occurrence 17.20 Other Liability---Claims Made
Uninsured Motorists	98.00 All Other Lines
Finance Charges	Do not Report